



# League of Women Voters of Kansas

*Policy Watch Weekly Update* by Paul Johnson

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## Preview

# Political Uncertainties

Our political world and our policy debates are churning. Elections have very real consequences. The national political scene has witnessed a seismic change. The best outcome may be uncertainty while the worst outcome could be the destruction of civil rights, economic stability and the environment.

The political winds in Kansas have shifted back to moderation in Topeka.



Uncertainty will play a key role in the relationship of the federal government and its programs to the stability and survival of state governments. The timeline for these fundamental changes is one of the greatest uncertainties.

The federal government has been fundamentally changed with the Republicans now in complete control. 'Post truth' politics will be the order of the day as fact and truth becomes less important. The future laid out so far through the president elect's appointments and those who will be in charge, points to a "shake up" of sorts at the federal level. But is it the shake up that the people expected, want or need? This is no "draining of the swamp" of long time politicians and Washington insiders to put in place overseers of the public good, but a layering of

global corporate and business interests never seen in our history.

What is certain, based on the direction the new administration appears to be taking, is that the wealthiest individuals and corporations that bought this national election will be repaid in full with lucrative tax breaks and the complete elimination of the estate tax.

Corporate tax rates will be cut so that CEO salaries can be increased and company stock bought back instead of increased investments in research and new plant construction. The largest four banks will grow even bigger and financial speculation increases as most banking regulation is eventually repealed. Antitrust enforcement – whether in banking or airlines or telecommunications or meat packing – will be further weakened. Well-paid lobbyists will have their purchased seat at the Congressional table to implement their wish list.

The federal budget will undergo severe change. While tax cuts will drive up the deficit along with increased military spending and infrastructure investments, the discretionary portion of the budget that funds the social safety net and protects the environment will be plundered. The health of the planet will be sacrificed to the short-term profits of the ‘climate change denying’ fossil fuel industry. As the Medicaid program along with food stamps are capped and block granted to the states, the states will have a convenient slush fund to restrict benefits and redirect the funds to their own deficit crises. Clean air and clean water will be a convenient tweet for the President-elect while the actual programs are strangled.

Supporting private and parochial school choice vouchers will come at the expense of public schools that educate 90% of the students. The privatization of Social Security will be handed to Wall Street and Medicare given to the health insurance industry. Private crop insurance will be more lucrative with expanded federal subsidies for the largest farms while conservation programs will be significantly reduced.

Voter suppression will be federalized. Immigration will be tightened but agribusiness will hold on to their indentured immigrants. While the President-elect was vague on many policy and program details, the blueprint has already been written by the Speaker of the U.S. House of Representatives. The only uncertainty is what debate and defiance may occur in the United States Senate—and at the grassroots level once they realize how they have been duped.

While the uncertainty of federal governmental action lingers, the newly elected 2017 Kansas Legislature will face a debilitating deficit of at least \$350 million for a fiscal year that ends June 30, 2017. There are 14 new State Senators out of 40, and 45 new House members out of 125. Most were elected on a platform to straighten out the revenue crisis and write a new school funding formula. There are no instant revenue remedies to fix this fiscal mess. Reinstating the income tax cuts will take close to 18 months. A regressive sales tax increase could be in place by April 1 if passed by February 1.

After 10 rounds of budget cuts since the 2008 recession, state programs are barely performing. K-12 comprises 50% of the State budget in a block grant. KanCare (Medicaid) comprises 20% of the State budget and it already has taken a 4% reduction. Higher education has seen a 30% reduction in state funding since 2009 and it comprises 12% of the State budget.

The Governor has decided to wait till January to offer legislation to balance the State budget and has promised no further layoffs or furloughs. Options to balance the budget are limited. Kansas could securitize the tobacco settlement and sell off a portion for one-time funds. Kansas will continue to move payments for schools, medical providers and KPERS from June 2017 to July 2017 thus creating a larger deficit of \$600+ million for fiscal year 2018.

The political tone will be far different in the 2017 Kansas Legislature. The Kansas House will have 40 Democrats (up from 28) and several new moderate Republicans to constitute a working majority on the floor. In the Kansas Senate, the balance is pretty close to 20 conservatives and 20 moderate Republicans and Democrats.

There will be a new Speaker and Majority leader in the Kansas House who will determine committee chairmanships and assignments balancing that split of moderates and conservatives. President of the Kansas Senate Senator Susan Wagle will maintain her position but a new Majority leader will be selected. The key agriculture and natural resource committees - Senate Agriculture, Senate Natural Resources and the House Agriculture & Natural Resources - will all have new committee chairs in 2017.

Fixing the budget deficit for 2017 and 2018 by revenue increases or further budget cuts has to be priority one. The two-year school funding block grant ends on June 30 so a new formula has to be written or an extension of the block grant passed.

The Kansas Supreme Court should rule on the 'adequacy' of school funding by early spring so that will have to be considered. There is more support for Medicaid expansion but changes at the federal level will impact that discussion. There will be proposals to adequately fund the State Water Plan by dedicating a portion of the sales tax or increasing water use fees.

With so many new lawmakers, new political leadership in both chambers and dire issues of budget and school finance to resolve, there may be limited political oxygen to tackle many other substantive issues. Will the Governor take a position in the Trump administration? Who will fill U.S. Representative Mike Pompeo's seat as he moves to direct the CIA? Will there be a new Kansas Secretary of State?

What is certain is that Kansas has to get this right to rebalance our broken revenue system and find an equitable formula for funding public schools. It may well take a few years to undo the damage from the ill-fated 'income tax' experiment. Raising revenues is never easy especially for first time elected lawmakers.

The wealthiest Kansans - that have significantly benefited from the income tax cuts and funded several campaigns - will have the loudest voice to protect their benefits and force working

Kansans to pay more taxes. What leadership will the Governor provide to truly fix the revenue and budget crisis?

Since the tax cuts of 2012 and 2013 were passed solely by Republicans, will the Democrats offer a revenue plan or sit out the debate and force the Republicans to solve this crisis?

Beyond just voting, Kansas residents must stay engaged in these critical decisions. Kansas citizens must offer clear support to lawmakers who vote for a fair, progressive tax system and the restoration of critical budget cuts to education, social services, infrastructure and public safety. The quality of life in Kansas for now and a generation to come will be determined by the courage of our lawmakers and the support they receive from us.

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The **League of Women Voters of Kansas** is a grassroots, volunteer, political organization with [nine local Leagues across the state](#). For nearly 100 years, LWVK has encouraged the informed and active participation of citizens in government and has influenced public policy through education and advocacy. The League never endorses candidates or political parties.

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